

well-rounded education. More significantly, 35 percent of the state's teachers integrate the arts into their classroom curriculum as a way to help students learn.

When results of the 1994 study were compared with current findings, significant increases were revealed:

- The overall economic impact of the arts is 152 percent greater than the 1994 study.
- Local and state taxes generated as a result of the arts are up 279 percent.
- Admissions and on site sales increased 141 percent.
- Arts and cultural organization worker income has increased 89 percent.
- Arts and cultural organization income has increased 207 percent.
- Grants and contributions to the arts have grown 318 percent.

For more information or to download a copy of the Executive Summary and Full Report with accompanying appendices, go to www.cac.ca.gov



CALIFORNIA ARTS COUNCIL
1300 I STREET, SUITE 930
SACRAMENTO, CA 95814

Source: The California Arts Council
and Diane L. Mataraza, Inc., April 2004



CALIFORNIA ARTS COUNCIL
2004

THE ARTS: A COMPETITIVE ADVANTAGE FOR CALIFORNIA II



THE ECONOMIC IMPACT OF
NONPROFIT ARTS
AND
CULTURAL ORGANIZATIONS
IN CALIFORNIA

UPDATE TO THE 1994 ECONOMIC
IMPACT OF THE ARTS REPORT

FACT SHEET



NONPROFIT ARTS ORGANIZATIONS ADD SOME \$5.4 BILLION TO THE STATE'S ECONOMY, CREATE MORE THAN 160,000 JOBS, AND GENERATE NEARLY \$300 MILLION IN STATE AND LOCAL TAXES.¹

- * Total nonprofit arts sector spending in California is \$2.2 billion, including direct expenditures by nonprofit arts and cultural organizations on everything from wages and benefits to goods and services.
- * California's nonprofit arts attract 71.2 million people who in addition to admission contribute \$1 billion more to the economy.
- * Nonprofit arts generate millions of dollars in tax revenue — an impact totaling nearly \$300 million, as of this report.
- * The impact of the nonprofit arts sector includes \$2.7 billion in worker income. These worker income impacts are comparable to those of workers in California's sports and recreation clubs, commercial sports and auto rental industries.
- * Californians invest more than 10 million hours as volunteers for nonprofit arts organizations, valued at more than \$165.4 million.
- * In California, there are more arts-related businesses (89,719) — including nonprofit organizations — and more people employed (516,054) in the creative industries than in any other state in the nation. *Creative Industries in California* — ground-breaking research conducted by Americans for the Arts and unveiled in Chapter 6 of this study demonstrates that the creative industries are a significant industry in California.
- * Nonprofit arts contribute to California's ranking as the most visited state in the nation. The primary motivation for 6 million tourists to travel in Califor-

nia is to enjoy nonprofit arts. In addition to what tourists spend at an arts event, the costs of lodging, meals, transportation and retail the day of an event as well as the day before or after an event is significant. Total economic impact of tourists spending is just under \$1 billion.

- * Philanthropic support — money received from foundations, individuals and corporations — plus government subsidies total \$1.06 billion and are vital to keeping the arts accessible and affordable to all Californians.
- * Nonprofit arts are economic engines in communities both small and large. In the state's more rural communities, arts venues are essential elements in downtown revitalization, generating an impact of \$120 million annually. In California's large metropolitan areas, the arts make important contributions to urban renewal and development. In Los Angeles County, which has the largest economic impact of the arts in

the state, \$2 billion is contributed to the economy.

- * Californians care a great deal about the vitality of the arts sector and would pay more in taxes to prevent reductions in arts and cultural programming. We estimate that the average California household is willing to pay an additional \$15.35 annually through taxes and other means to avoid a 25 percent reduction in arts events and \$33.27 to avoid a 50 percent reduction. Given California's 11,503,000 households, it means residents would be willing to pay \$382.7 million more each year for arts activity — a substantial difference from the state's current \$1 million appropriation to the California Arts Council.
- * Californians value the role of arts in education in the future success of children. Arts audiences consider arts education in schools a high priority. Among the state's classroom teachers, 75 percent embrace the philosophy that the arts are important in a child's

¹ The current study uses the same conservative methodology employed in the 1994 KPMG Peat Marwick study, *The Arts: A Competitive Advantage for California*, so as to track that decade old sampling.

² This represents only a portion of the total economic impact generated through tourist-related spending in the nonprofit and commercial sectors.